GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4605
ANSWERED ON:25.04.2008
HEALTH INSURANCE
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Will the Minister of FINANCE be pleased to state:

(a) whether the rates of premiums under the Health Insurance policies have been enhanced by the insurance companies during the last three years;

(b) if so, the reasons therefor;

(c) .he names of existing policies of Health Insurance launched by the insurance companies;

(d) the names of the policies launched during tie last three years; and

(e) l.hc steps taken by the Insurance Regulatory Development Authority (IRDA) for making i.hem affordable for the people?

Answer

THE MINISTER OF STATE rN THE MINISTRY OF FINANCE (SHRI PAWAN XUMAR B ANSAL)

(a) & (b): As reported by Insurance Regulatory & Development Authority (IRDA), the rates in respect of the Mediclaim policy issued by the four public sector non-life insurers have been revised in 2006-07. It is the insurers who decide on the pricing o.~ -rxir products and are required to fib them with the Insurance Regulatory and Development Authority (IRDA) under the `File and Use` procedure. In this case, the insurers considered it necessary to revise :he premium rates as they had not been revised for almost a decade. During this period the medical costs and hospital charges had gone up and the claims beirg paid by the companies under the policy were far exceeding the premium income.

(c) & (d): The names of the existing policies of Health Insurance and the policies launched during. the last three years are given in Annexure.

(e) : IRDA has reported that pricing of products is decided by the insurers based on their claim experience and the Regulator does not intervene in the pricing. However, for Senior Citizens` category, IRDA has issued guidelines whereby insurers have been advised that no senior citizen may be forced to migrate to the revised policy (where tr.e premium rales are higher). As regards the pricing of the pre-revised policy, the insurers have been advised that they may not load the renewal premium, if justified, by more than 50 to 75% of the premium of the pre-revised policy. Besides this: the Government in the Budget 2008-09 has proposed to allow an additional deduction of Rs. 15.000/-under Section SOD to an individual who pays medical insurance premium for his / her parent or parents. For parents of more than 65 years of age deduction of Rs.20,000/- is proposed to be allowed under this section.